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Hope Palmer Legal Assistant hpalmer@abhr.com (713) 860-6459

April 24, 2025

Ms. Diana Stapp City Secretary City of League City 300 W. Walker St. League City, Texas 77573

Re: Galveston County Municipal Utility District No. 35

Dear Ms. Stapp:

Enclosed please find a Utility Conveyance and Security Agreement for each of the following project(s) for acceptance by the City of League City (the "City"):

 Water, sanitary sewer, and drainage facilities to serve Lakes at Westland Ranch Section 6

Please add acceptance of these Agreements to the City Council agenda for approval as soon as possible. Following acceptance and execution by the City, please return the Agreements to me for recordation.

Should you have any questions, please feel free to call me at the above number.

Sincerely

Hope Palmer

Legal Assistant

Enclosure

CC without enclosure:

Mr. Kyle Kern, DEC, via email at kyle.kern@decorp.com

Letterhead - letter to city- sending utility conveyance and security (copy) (copy) 4903-6648-2490 v.1

UTILITY CONVEYANCE AND SECURITY AGREEMENT

STATE OF TEXAS §

§ KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF GALVESTON §

Galveston County Municipal Utility District No. 35 (the "District") has constructed certain improvements, structures, and facilities designed to provide water, wastewater, and drainage to serve areas within the District's boundaries and the boundaries of the City of League City, Texas (the "City"). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District does hereby convey, transfer, and deliver to the City, its successors and assigns those certain facilities described as follows:

Those certain facilities constructed to date on behalf of the District pursuant to the construction contract for the water, sanitary sewer, and drainage facilities to serve Lakes at Westland Ranch Section 6 between the District and Blazey Construction Services, LLC in the original amount of \$2,994,808.70 (DEC Job No. 4869-76), and together with any improvements, structures, storm sewer mains, plants, service pumps, storage reservoirs, electrical equipment, plant equipment, distribution lines, collection lines, water mains, lift stations, meters, valves, pipes, fittings, connections, meter boxes, laterals, easements, rights-of-way, licenses, and operating rights (collectively, the "Facilities").

The District constructed the Facilities and is conveying the Facilities to the City pursuant to the Utility Agreement by and between the City, the District, and Forestar (USA) Real Estate Group, Inc. (the "Utility Agreement"). Section 1.03 of the Utility Agreement requires that the System (as defined therein) be conveyed to the City for ownership, operation and maintenance, subject to a security interest retained by the District.

The District hereby reserves a security interest in the Facilities, more particularly described in Section 6.01 of the Utility Agreement, to secure the performance of the City's obligations under the Utility Agreement. The District reserves said security interest under Texas law.

The District hereby reserves the full capacity of the Facilities.

The District hereby assigns to the City all rights, maintenance bonds, warranties and manufacturer's warranties, if any, owned or acquired by the District for the Facilities.

The City hereby agrees by its acceptance of this conveyance to operate and maintain the Facilities in accordance with the terms of the Utility Agreement.

IN WITNESS WHEREOF, this conveyance is executed on this 7th day of April, 2025.

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

By: Lee Fr

President, Board of Directors

ATTEST:

By: Corretory Roard of Directors

Secretary, Board of Directors

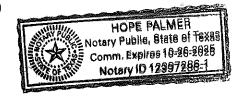
THE STATE OF TEXAS

§

COUNTY OF GALVESTON

Notary Public, State of Texas

(NOTARY SEAL)



authorization by City Counc	il of the Cit hereby accep	Agreement, as defined above, and the y of League City, Texas (the "City") on ts this Utility Conveyance and Security, 2025.
		CITY OF LEAGUE CITY, TEXAS
ATTEST:		Mayor
City Secretary		
THE STATE OF TEXAS COUNTY OF GALVESTON	\$ \$ \$	
	as Ma	before me on the day of, ayor of the City of League City, Texas, on
		Notary Public, State of Texas
(NOTARY SEAL)		

AFTER RECORDING RETURN TO: Hope Palmer, Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.

4910-9205-7903 v.1